

Item #3 of the Agenda of the OJSC MMK Extraordinary General Shareholders' Meeting

**“Approval of a Major Transaction”:**

**Draft Resolution:**

It is hereby resolved:

In accordance with Article 78 and Paragraphs 3, 4 of Article 79 of the Federal Law “On Joint Stock Companies”, to approve a major transaction regarding OJSC MMK’s contract # E150949 for the supply of iron ore materials with ENRC Marketing AG (Switzerland) on the following terms:

- subject of the transaction – supply of iron ore materials;
- quantity – 143,600,000 tons;
- price – USD 8,400,000,000 (exclusive of VAT);
- delivery period – till 31.03.2017;
- settlement procedure – payments in every delivery month, pursuant to proforma invoices, in the amount of:
  - 30% of the price for the month’s supply on or prior to the 10<sup>th</sup> calendar date of the delivery month;
  - 30% of the price for the month’s supply on or prior to the 20<sup>th</sup> calendar date of the delivery month;
  - 40% of the price for the month’s supply on or prior to the last calendar date of the delivery month;
- The corporate guarantee of JSC Sokolovsk-Sarbaisk Ore Mining and Processing Enterprise provides for ENRC Marketing AG’s (Switzerland) fulfillment of its obligations. The guarantee shall be valid until the expiry of the contract and termination of the transactions and obligations thereunder.

The beneficiaries in the transaction are OJSC MMK and ENRC Marketing AG’s (Switzerland).